



NEWS RELEASE

CALIFORNIA STATE TREASURER PHIL ANGELIDES

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CALSTRS, AT TREASURER ANGELIDES' URGING, TO CALL ON CACI BOARD TO CONDUCT FULL INVESTIGATION AND HOLD MANAGEMENT RESPONSIBLE FOR INTERROGATORS' CONDUCT AT IRAQ PRISON; CALSTRS SCHEDULES NOVEMBER VOTE TO CONSIDER DIVESTING ITS CACI HOLDINGS

*Latest U.S. Army Investigation Found CACI Contract Negotiators
Deeply Involved In 'Inhumane to Sadistic' Abuses*

SACRAMENTO, CA – California State Treasurer Phil Angelides today called on the California State Teachers' Retirement System (CalSTRS) to demand that the board of CACI International order a full investigation into the conduct of its interrogators at Iraq's Abu Ghraib prison, and that the board move immediately to seek the resignations of any of the management, including the chief executive, "who failed the shareholders, our soldiers, and America's values."

Angelides also asked his fellow CalSTRS board members to set a vote for their November meeting to consider divesting its holdings in CACI. CalSTRS owns 77,882 shares of CACI, holdings valued at more than \$3.8 million.

In response to the Treasurer's requests, CalSTRS today decided to pursue the matter with CACI's board of directors and agreed to schedule a November vote to consider divestment.

Angelides' requests today followed a meeting held last month – at his request – between CACI officials and CalSTRS and CalPERS (California Public Employees' Retirement System) board members and staff. At the meeting, Angelides expressed concern about CACI's contracting practices and its involvement in Abu Ghraib prison, which has exposed shareholders to financial risk and put the company at risk of being debarred from federal work – its major source of revenue. The proposed divestment would be consistent with CalSTRS' fiduciary standards and would also be in line with the pension fund's already existing Statement of Investment Responsibility, which allows CalSTRS to consider non-economic factors such as when the "activities of a corporation serve to undermine basic human rights or dignity."

"The U.S. Army's recently released 'Fay-Jones' report on the abuse of Iraqi detainees at Abu Ghraib prison confirms the worst fears of CACI's shareholders," Angelides said, "finding that this corporation's contract interrogators were deeply involved in the abuses, which the report describes as 'ranging from inhumane to sadistic.'" The Fay-Jones report found that CACI

employees abused detainees, encouraged soldiers to abuse prisoners, and failed to report abuse they witnessed. In addition, it recommends that three CACI employees be referred to the Justice Department for possible prosecution.

Despite the report's findings – which attribute the abuses at Abu Ghraib to failures of both discipline and leadership – Angelides pointed out, “the management of CACI has failed to take responsibility for its role in these disturbing events, which represented a setback in the war on terrorism and a black mark on America's reputation around the world. In fact, CACI's management has described itself as ‘pleased’ that its employees were not involved in any ‘horrendous’ acts, a sentiment that most readers of the Fay-Jones report will emphatically not share.

“It is time for CACI's top management to get out of denial and hold their company accountable for behavior that hurt both shareholders and the country,” Angelides added. “Instead, CACI has vilified concerned shareholders who have asked legitimate questions about its contracting practices and its involvement at Abu Ghraib. Only days before the release of the Fay-Jones report, the company announced that it had found ‘no tangible or credible evidence’ of CACI involvement in any Abu Ghraib abuses, despite the findings of the Army's earlier Taguba report to the contrary.”